

29 October 2021



Quarterly Activities Report to 30 September 2021

Tomingley Gold Operations (Tomingley)

- Gold production met forecast for the quarter of 12,141oz, with site operating cash costs at A\$1,531/oz and AISC of A\$1,961/oz. Lower grade stopes were mined late in the quarter, with higher grade stopes forecast for early in the current quarter.
- Gold sales of 13,359 ounces for revenue of A\$33.0M at an average price of A\$2,467/oz.
- FY2022 production guidance for Tomingley is unchanged at 55,000oz to 60,000oz at an AISC of \$A1,450/oz to \$1,600/oz.
- New underground fleet continues to be deployed with 3 x CAT 2900 loaders, 3 x Epiroc MT65 trucks and a Sandvik DL432i production drill received to date. A further Epiroc MT65 truck, Sandvik DD422i jumbo, CAT 2900 loader and a Normet Charmec MC605D to be delivered by the end of Q1 2022.

Tomingley Gold Extension Project (TGEP)

- The application for the Gateway Certificate, which considers the impact of proposed developments on agricultural land in NSW, was lodged with the NSW government. This is currently being evaluated and receipt is expected in the current quarter.
- The Environmental Impact Statement is being finalised for submission on receipt of the Gateway Certificate. Submission is expected later in the current quarter. The expected timing of Project Approval remains mid-2022.

Exploration

- The drill program at Boda continues. Results received during the quarter (see ASX Announcement 16 August 2021) showed shallow extensions of the high-grade breccia at Boda, intersecting significant gold and copper grades from surface.
- Significant assay results included:

KSRC043	31m grading 2.94g/t Au, 0.97% Cu from surface
incl	9m grading 9.43g/t Au, 2.65% Cu from surface
KSRC042	14m grading 0.40g/t Au, 0.11% Cu from 74m
and	226m grading 0.35g/t Au, 0.15% Cu from 108m
incl	10m grading 0.72g/t Au, 0.40% Cu from 157m
also	9m grading 0.73g/t Au, 0.50% Cu from 290m
- Near mine exploration continued at Tomingley. Results received (see ASX Announcement 16 September 2021) showed additional mineralisation outside the existing resource models at Roswell and San Antonio.

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- Drilling at the McLeans Prospect, located between the Roswell Deposit and the Tomingley site, and adjacent to the underground exploration drive currently being developed, intersected significant gold mineralisation including intercepts of:

MCP092	34 metres grading 1.80g/t Au from 178 metres;
incl	3 metres grading 10.7g/t Au from 190 metres;
and	19 metres grading 1.25g/t Au from 242 metres;
incl	4 metres grading 3.39g/t Au from 256 metres.
MCD009	1 metres grading 3.32g/t Au from 326 metres;
and	4 metres grading 7.01g/t Au from 400 metres;
incl	1 metre grading 24.6g/t Au from 402 metres;
and	6.6 metres grading 2.80g/t Au from 420.6 metres;
and	5 metres grading 1.69g/t Au from 437 metres;
incl	2 metres grading 3.06g/t Au from 439 metres.

- Results from Roswell raised the confidence within the Inferred Resource. The vertical continuation of the mineralised structures extended approximately 100m below the current resource estimation with significant results including:

RWD052	20.5 metres grading 2.83g/t Au from 374.8 metres;
incl	1 metres grading 32.3g/t Au from 381.8 metres;
and	9.4 metres grading 3.82g/t Au from 436 metres;
and	13 metres grading 0.86g/t Au from 528 metres.
RWD053	31 metres grading 1.11g/t Au from 586 metres;
incl	7 metres grading 2.85g/t Au from 592 metres;
and	24.3 metres grading 1.12g/t Au from 631 metres;
incl	3 metres grading 2.78g/t Au from 649 metres.
RWD050A	0.9 metres grading 3.03g/t Au from 422.1 metres;
and	6 metres grading 1.01g/t Au from 501 metres;
incl	1 metres grading 3.03g/t Au from 504 metres;
and	5 metres grading 4.12g/t Au from 520.3 metres;
incl	1.7 metres grading 10.5g/t Au from 520.3 metres;
and	13 metres grading 0.45g/t Au from 530 metres.

Corporate

- Cash, bullion and listed investments position totalled A\$117.3M.
- Shareholding of ASX listed gold developer Calidus Resources Ltd (ASX:CAI) was ~9.7% at end of September quarter.
- Shareholding of ASX listed gold developer Genesis Minerals Ltd (ASX:GMD) was ~19.7% at end of September quarter. During the quarter GMD announced a strategic funding package (see GMD ASX Announcement 22 September 2021) that will be voted on by GMD shareholders at its AGM on 19 November.
- Completed the disposal of the Galwagere Project to Sky Metals Ltd (ASX:SKY) for consideration of 6,000,000 shares in SKY (see SKY ASX Announcement 7 July 2021).



TOMINGLEY GOLD OPERATIONS

Tomingley Gold Operations Pty Ltd 100%

Tomingley Gold Operations (Tomingley) is a wholly owned subsidiary of Alkane, located near the village of Tomingley, approximately 50km southwest of Dubbo in Central Western New South Wales. The gold processing plant was commissioned in January 2014 and has been operating at the design capacity of 1Mtpa since late May 2014. Mining is based on four gold deposits (Wyoming One, Wyoming Three, Caloma One and Caloma Two).

Operations Performance

Tomingley continues to perform well and is processing underground stope material with recovery as expected. The cutback in the northeast of the Caloma pit is also performing well. Lower grade stopes were mined late in the quarter, with higher grade stopes forecast for early in the current quarter.

A total of 12,141 ounces of gold was poured for the quarter. The site cash costs for the quarter were A\$1,531/oz with an all-in sustaining cost (AISC) of A\$1,961/oz. Guidance for FY22 is unchanged at 55,000 to 60,000oz at an AISC of \$1,450 to \$1,600/oz.

Gold sold for the quarter was 13,359 ounces at an average sales price of A\$2,467/oz, generating revenue of A\$33.0M. Bullion stocks were 2,431 ounces (fair value of A\$4.9M at quarter end). Site operating cash flow was A\$16.1M for the quarter.

New Underground Fleet

The underground fleet has been steadily upgraded with new equipment over the last few months, lifting mine performance, which is expected to lift further as the remainder of the equipment arrives on site. New equipment received to date includes 3 x CAT 2900 loaders, 3 x Epiroc MT65 trucks and a Sandvik DL432i production drill. A further Epiroc MT65 truck, Sandvik DD422i jumbo, CAT 2900 loader and a Normet Charmec MC605D remain to be delivered by the end of Q1 2022.

At the end of the quarter the Company had \$14.4 million of borrowings relating to mobile equipment financing arrangements.



New CAT 2900 loader on site at Tomingley



New Sandvik DD422i jumbo on site at Tomingley



New Epiroc MT65 truck on site at Tomingley

Tomingley Gold Extension Project

Alkane's intention is to develop the Roswell and San Antonio deposits, which are located 3 – 5km south of Tomingley, as soon as possible.

Alkane continues through the approval process for this development. Consultation with regulators, landholders and other stakeholders is ongoing.

The application for the Gateway Certificate, which considers the impact of proposed developments on agricultural land in NSW, was lodged with the NSW government. This is currently being evaluated and receipt is expected in the current quarter.

The Environmental Impact Statement is being finalised for submission on receipt of the Gateway Certificate. Submission is expected later in the current quarter. The expected timing of Project Approval remains mid-2022.



Regional Exploration

Near mine exploration continued at Tomingley. Results received (see ASX Announcement 16 September 2021) showed additional mineralisation outside the existing resource models at Roswell and San Antonio, as well as intercepts at El Paso, located south of San Antonio.

The McLeans Prospect is positioned immediately north of the Roswell Deposit and south of the historic Myalls United Mine, 2km south of Tomingley. Significant results during the quarter included MCP092, which intersected significant gold mineralisation hosted within a feldspar phyrlic andesite.

MCP092	34 metres grading 1.80g/t Au from 178 metres;
incl	3 metres grading 10.7g/t Au from 190 metres;
and	19 metres grading 1.25g/t Au from 242 metres;
incl	4 metres grading 3.39g/t Au from 256 metres.

MCP092 was followed up with a deeper diamond core drill hole, MCD009, to characterise the geology and structure to the significant gold intercepts. MCD009 identified a magnetic feldspar phyrlic andesite approximately 80 metres thick and thinning towards the surface, terminating below historic drilling. MCD009 contained multiple narrow high grade gold zones associated with either typical Tomingley-style sheeted quartz veins or as atypical pyrite-silica cemented breccia, hosted within and along the eastern contact of the andesite host.

MCD009	1 metre grading 3.32g/t Au from 326 metres;
and	4 metres grading 7.01g/t Au from 400 metres;
incl	1 metre grading 24.6g/t Au from 402 metres;
and	6.6 metres grading 2.80g/t Au from 420.6 metres;
and	5 metres grading 1.69g/t Au from 437 metres;
incl	2 metres grading 3.06g/t Au from 439 metres.

This newly defined andesite unit hosting the high-grade mineralisation at McLeans correlates with the andesites that host the majority of the gold resources at the Roswell and San Antonio deposits. The andesite begins approximately 100 metres below the surface and had not been intersected by previous drilling. A strike length of at least 300 metres has been estimated from the magnetics, with further drilling planned to determine its underground resource potential. The mineralisation is only 600 metres from the Roswell deposit and close to the Wyoming One to Roswell exploration drive

At Roswell deep diamond core drill holes were designed to test the depth extensions of the main andesite lodes and the western monzodiorite lode below the current resource estimation as well as infilling any Inferred classified resources at Roswell. Assay results were received from two DD holes confirming the vertical continuation of the andesite mineralised structures approximately 100 metres below the current resource model with significant results of:

RWD053	31 metres grading 1.11g/t Au from 586 metres;
incl	7 metres grading 2.85g/t Au from 592 metres;
and	24.3 metres grading 1.12g/t Au from 631 metres;
incl	3 metres grading 2.78g/t Au from 649 metres.
RWD050A	0.9 metres grading 3.03g/t Au from 422.1 metres;
and	6 metres grading 1.01g/t Au from 501 metres;
incl	1 metres grading 3.03g/t Au from 504 metres;
and	5 metres grading 4.12g/t Au from 520.3 metres;
incl	1.7 metres grading 10.5g/t Au from 520.3 metres;
and	13 metres grading 0.45g/t Au from 530 metres.

Assay results were also received for diamond core drill hole, RWD052, infilling deep andesite mineralisation currently classified as Inferred, with assay results giving strong confidence to the current resource estimation with:



RWD052	20.5 metres grading 2.83g/t Au from 374.8 metres;
incl	1 metres grading 32.3g/t Au from 381.8 metres;
and	9.4 metres grading 3.82g/t Au from 436 metres;
and	13 metres grading 0.86g/t Au from 528 metres.

Further deeper drilling is planned.

At El Paso drilling during the quarter focused on the southern and shallowest covered (20 to 30 metres) part of the prospect. The stratigraphy is comprised of short discontinuous fragmented volcanic units including basaltic andesites and a magnetic andesite that correlates with the Roswell and San Antonio andesites that host most of the gold mineralisation at these deposits. The andesite also hosts significant gold mineralisation at El Paso. The drilling returned significant gold results of:

EPP038	12 metres grading 1.22g/t Au from 40 metres;
incl	1 metres grading 10.4g/t Au from 51 metres.
EPP043	2 metres grading 0.81g/t Au from 37 metres;
and	16 metres grading 2.69g/t Au from 79 metres;
incl	6 metres grading 6.14g/t Au from 85 metres;
and	5 metres grading 0.60g/t Au from 102 metres;
and	2 metres grading 0.76g/t Au from 121 metres.
EPD006	1 metres grading 2.23g/t Au from 159 metres;
and	8 metres grading 0.34g/t Au from 224 metres.

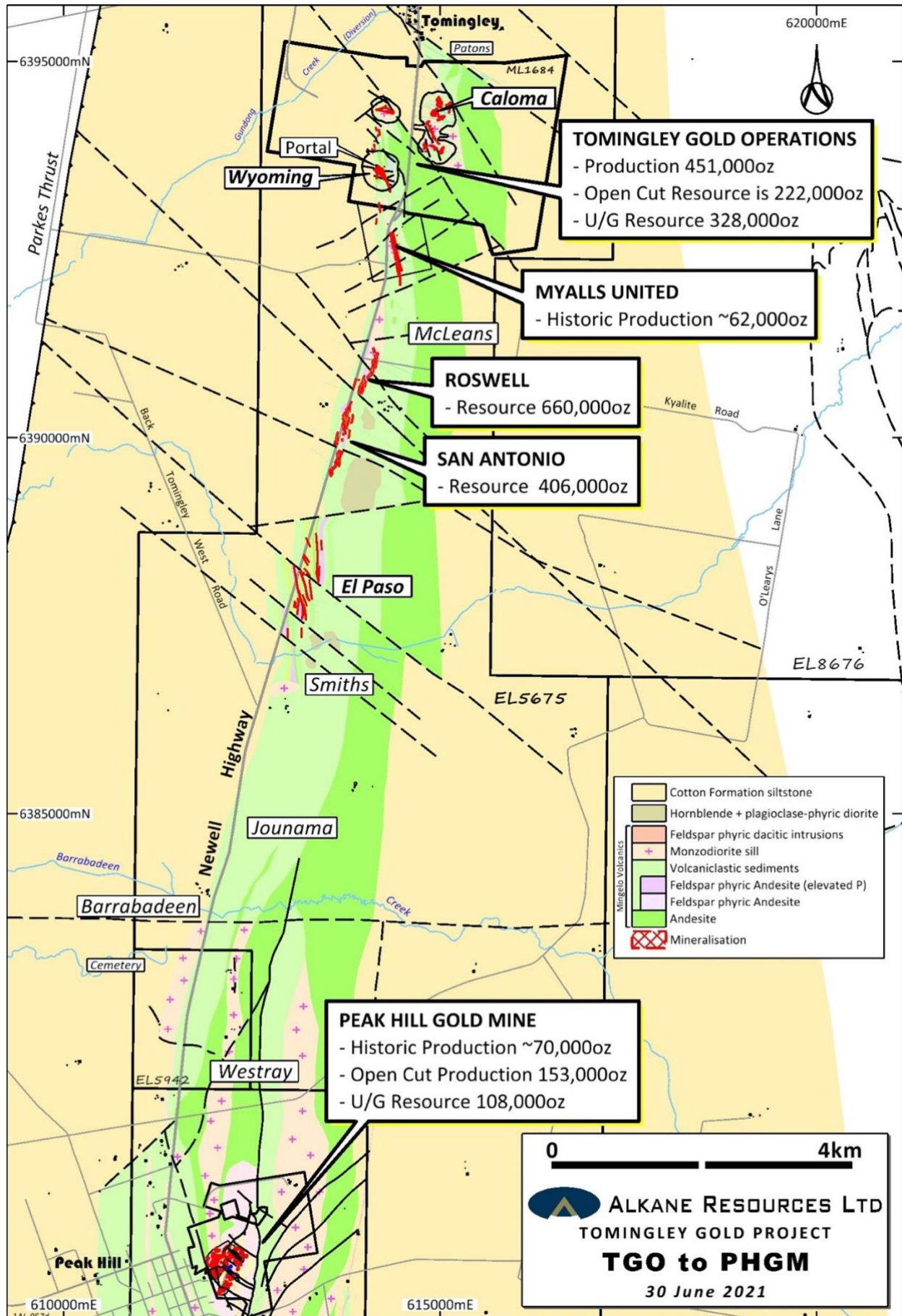
The next phase of exploration will focus on northern El Paso.



Tomingley FY 2022 Quarterly and Annual Production Figures

Tomingley Production		FY 2021	Sep Quarter 2021	FY 2022
Open cut				
Waste mined	BCM	1,218,779	290,371	290,371
Ore mined	Tonnes	71,347	93,118	93,118
Strip Ratio	Ratio	32.8	8.0	8.0
Grade	g/t	0.64	0.63	0.63
Underground				
Ore mined	Tonnes	706,889	226,054	226,054
Grade	g/t	2.63	1.87	1.87
Ore milled	Tonnes	928,531	247,884	247,884
Head grade	g/t	2.14	1.79	1.79
Recovery	%	88.8	85.1	85.1
Gold poured	Ounces	56,958	12,141	12,141
Revenue Summary				
Gold sold	Ounces	55,929	13,359	13,359
Average price realised	A\$/oz	2,286	2,467	2,467
Gold revenue	A\$M	127.8	33.0	33.0
Cost Summary				
Surface works	A\$/oz	17	263	263
Mining	A\$/oz	452	709	709
Processing	A\$/oz	347	406	406
Site Support	A\$/oz	125	154	154
C1 Site Cash Cost	A\$/oz	940	1,531	1,531
Royalties	A\$/oz	73	65	65
Sustaining capital	A\$/oz	296	268	268
Gold in circuit movement	A\$/oz	-58	16	16
Rehabilitation	A\$/oz	20	20	20
Corporate	A\$/oz	49	61	61
AISC ¹	A\$/oz	1,320	1,961	1,961
Bullion on hand	Ounces	3,246	2,025	2,025
Stockpiles				
Ore for immediate milling	Tonnes	71,938	143,535	143,535
Grade	g/t	0.95	0.92	0.92
Contained gold	Ounces	2,856	4,246	4,246

¹AISC = All in Sustaining Cost comprises all site operating costs, royalties, mine exploration, sustaining capex, mine development and an allocation of corporate costs, calculated on the basis of ounces sold. AISC does not include share based payments or net realisable value provision for ore inventory.





CORPORATE

Cash, Bullion and Listed Investments

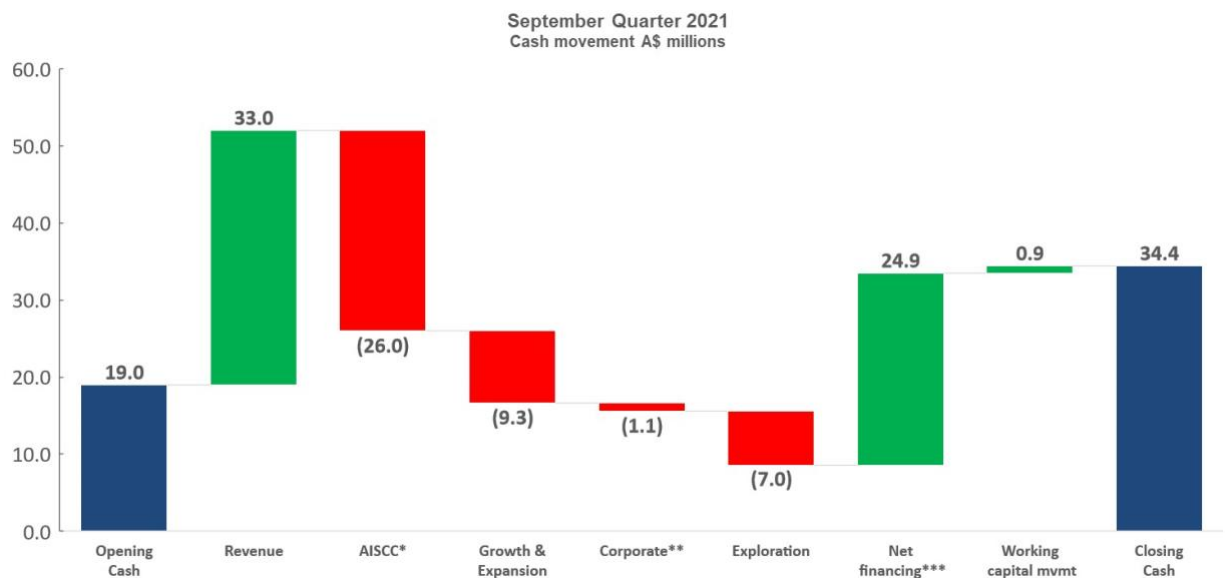
Description	Sep-21 Quarter A\$M	Jun-21 Quarter A\$M
Cash	34.4	19.0
Bullion	4.9	7.7
Cash and bullion sub-total	39.3	26.7
Listed investments	78.0	47.2
Total cash, bullion and listed investments	117.3	73.9

Banking Facilities

The Company has a \$20 million working capital facility with Macquarie Bank which was drawn down during the quarter. At the end of the quarter the Company had \$14.4 million of borrowings relating to mobile equipment financing arrangements.

Cashflows

The waterfall chart below summarises the quarterly movement in cash held (excludes bullion and investments held at the beginning and end of the period):



*AISC – 13,359ozs sold x \$1,961/oz. The Gold in circuit movement from the AISC table on page 7 is a non-cash movement so is excluded from the cashflow waterfall above.

** Corporate costs of \$1,082k are included in the AISC.

*** Net financing inflows includes \$20 million from drawdown of the Macquarie working capital facility plus net lease financing inflows from the funding of mobile equipment purchases.

During the quarter Tomingley Gold Operations sold 13,359 ounces at an average price of A\$2,467/oz. This included the delivery of 3,000 ounces into forward sales contracts at an average of \$2,534/oz. Further details of the current forward sales can be found below. All in sustaining cash cost for the quarter was \$1,961/oz – a total of \$26.0 million. Growth and expansion expenditure reflects non-exploration costs associated with development of the Caloma underground deposit and Tomingley Gold Extension Project (San Antonio/Roswell deposits).

Exploration expenditure focus was on the Boda project and San Antonio / Roswell / El Paso deposits. The lease repayments relate to mobile equipment loan repayments made during the quarter.



The Company continues to hold its investments in gold exploration and development companies Calidus Resources Ltd (ASX:CAI) and Genesis Minerals Ltd (ASX:GMD), in line with our strategy of investing in junior gold mining companies that meet our investment criteria of having high exploration potential, and/or require near-term development funding. Alkane continues to hold ~19.7% of GMD. During the quarter GMD announced a strategic funding package (see GMD ASX Announcement 22 September 2021) that will be voted on by GMD shareholders at its AGM on 19 November. Alkane's shareholding of CAI was maintained at ~9.7%. Alkane also holds 6,000,000 in Sky Metals Ltd acquired as consideration for the disposal of the Galwadgere Project completed in June 2021.

Gold Forward Sale Contracts & Put Options and Collars

The Company holds the following forward sale contracts.

Quarter	Average Forward Price A\$/oz	Delivery Ounces
December 2021	2,396	5,500
March 2022	2,230	7,500
June 2022	2,230	8,000
Total	2,273	21,000

During the quarter the Company delivered into gold forward sales contracts for 3,000 ounces at \$2,534/ounce.

A zero-cost collar is also in place for 1,000 ounces covering the December 2021 quarter, with a put price of \$2,300/ounce and call price of \$2,910/ounce.



NORTHERN MOLONG PORPHYRY PROJECT (NMPP) (gold-copper)

Alkane Resources Ltd 100%

The drill program at Boda continues. Results received during the quarter (see ASX Announcement 16 August 2021) showed shallow extensions of the high-grade breccia at Boda, intersecting significant gold and copper grades from surface.

Boda

The Boda gold-copper porphyry system appears to be a series of monzodiorite near vertical intrusive related breccias hosted within a thick sequence of near flat lying intermediate lavas. These magmatic breccias tend to hydrothermal in nature with a matrix comprising of calcite-quartz $\pm$ actinolite $\pm$ magnetite $\pm$ chalcopyrite $\pm$ pyrite zoning to a sulphide dominant cement (chalcopyrite $\pm$ pyrite) towards their centres. Truncating the breccias are late-mineral monzonite intrusives associated with quartz + chalcopyrite veining and post-mineral dolerite and dacitic dykes.

Recent drilling has focused on testing the vertical extensions to the sulphide cemented breccia intersected initially by KSDD007 (96.8m grading 3.97g/t Au, 1.52% Cu from 768 metres - ASX Announcement 23 March 2020). Drill hole assays were received during the quarter and define a high-grade zone of gold-copper with anomalous silver mineralisation (up to 17g/t Ag), intersected from surface with significant assay results of:

KSRC043	31m grading 2.94g/t Au, 0.97% Cu from surface
incl	9m grading 9.43g/t Au, 2.65% Cu, 8g/t Ag from surface
KSRC042	14m grading 0.40g/t Au, 0.11% Cu from 74m
and	226m grading 0.35g/t Au, 0.15% Cu from 108m
incl	10m grading 0.72g/t Au, 0.40% Cu from 157m
also	26m grading 0.50g/t Au, 0.32% Cu from 273m
incl	9m grading 0.73g/t Au, 0.50% Cu from 290m
and	18m grading 0.16g/t Au, 0.12% Cu from 450m to end of hole

Previously announced RC hole, KSRC038, ended in mineralisation at 498m (404m grading 0.35g/t Au, 0.07% Cu from 94 metres - ASX Announcement 9 November 2020) and was extended with a diamond core tail, KSRC038D, to a depth of 945.8 metres. The core intersected an up-dip extension to the sulphide breccia from 501 metres with significant intercepts of:

KSRC038D	711m grading 0.36g/t Au, 0.10% Cu from 118m
incl	17m grading 0.92g/t Au, 0.03% Cu from 302m (announced RC assays)
also	12m grading 1.93g/t Au, 0.20% Cu from 341m (announced RC assays)
also	17m grading 0.91g/t Au, 0.43% Cu from 501m (breccia in core)
also	1m grading 15.2g/t Au, 0.14% Cu from 756m

Boda Two Prospect

Assay results were received during the quarter for KSDD033; a diamond core drill hole testing the southern extensions to the Boda Two prospect and approximately 300 metres below KSDD021 (KSDD021 – 670.8m @ 0.14g/t Au, 0.10% Cu from 311 metres to end of hole; ASX Announcement 9 September 2019) with significant results of:

KSDD033	995m grading 0.19g/t Au, 0.12% Cu from 322m
incl	8m grading 1.14g/t Au, 0.30% Cu from 894m
also	14m grading 0.49g/t Au, 0.23% Cu from 968m
also	30m grading 0.39g/t Au, 0.20% Cu from 1052m
also	7m grading 0.55g/t Au, 0.38% Cu from 1243m
and	21m grading 0.36g/t Au, 0.11% Cu from 1517m

KSDD033 intersected a pervasive zone of calc-potassic altered volcanics with extensive low-grade gold-

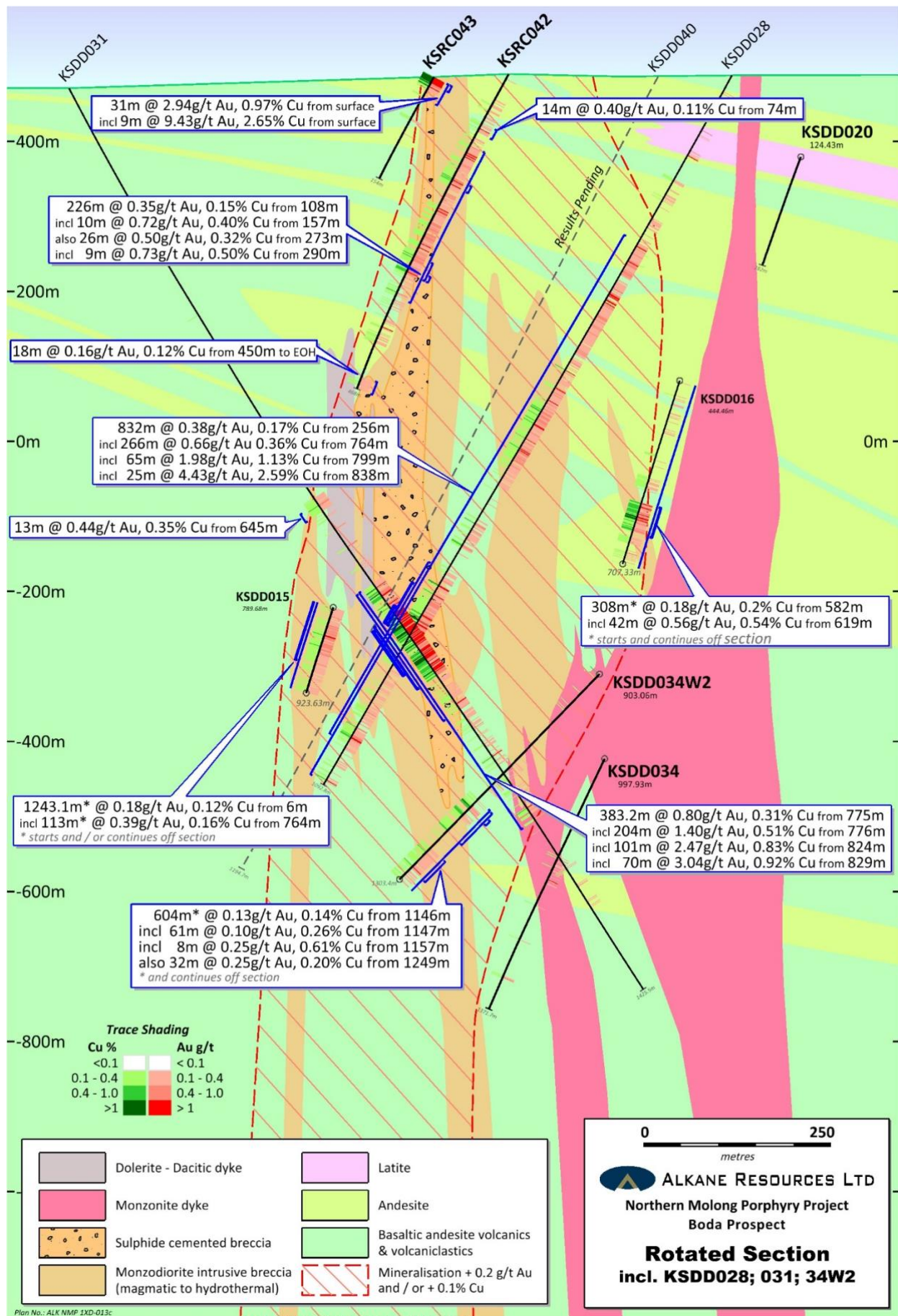


copper mineralisation associated with disseminated pyrite $\pm$ chalcopyrite $\pm$ bornite. The drill hole has increased both the width and grade of the zone of gold-copper mineralisation intersected by KSDD021 300 metres vertically below and enhanced the potential for higher grade zones.

The drilling to date at Boda Two has identified an extensive zone of low-grade gold-copper porphyry mineralisation with a gold enriched pyrite zone positioned along its northeast shoulder. Further drilling is underway at Boda Two to continue to define the size and scope of gold-copper mineralisation and any internal high-grade zones as being demonstrated at Boda.

Drill Program

Alkane has commenced a 60,000 metre drill program across the financial year. A maiden resource for Boda is expected in Q1 2022.





Competent Person

Unless otherwise advised above or in the Announcements referenced, the information in this report that relates to mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Chalmers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Previously Reported Information

The information in this report that references previously reported exploration results and mineral resources is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Disclaimer

This report contains certain forward looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Alkane Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Alkane Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.

This document has been authorised for release to the market by Nic Earner, Managing Director.

ABOUT ALKANE - www.alkane.com.au - ASX: ALK

Alkane Resources is poised to become Australia's next multi-mine gold producer.

The Company's current gold production is from the Tomingley Gold Operations in Central West New South Wales, where it has been operating since 2014 and is currently expediting a development pathway to extend the mine's life beyond 2030.

Alkane has an enviable exploration track record and controls several highly prospective gold and copper tenements. Its most advanced exploration projects are in the tenement area between Tomingley and Peak Hill, which have the potential to provide additional ore for Tomingley's operations.

Alkane's exploration success includes the landmark porphyry gold-copper mineralisation discovery at Boda in 2019. With a major drill program ongoing at Boda, Alkane is confident of further consolidating Central West New South Wales' reputation as a significant gold production region.

Alkane's gold interests extend throughout Australia, with strategic investments in other gold exploration and aspiring mining companies, including ~19.7% of Genesis Minerals (ASX: GMD) and ~9.7% of Calidus Resources (ASX: CAI).

